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Celery Market Brief

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Product Brief

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Report Highlights:

Recently, due to increased domestic demand, the cultivated area for celery has been on the rise. Many Korean consumers believe that celery, as an alkaline food, has significant health benefits (alkaline foods are known to eliminate toxins and restore good health). According to the Ministry for Food, Agriculture, Forestry and Fisheries (MIFAFF), celery production has almost doubled from 1,611 tons to 3,150 tons during the past decade. Annual celery production is around 4,000 tons.

General Information:

Production

Recently, due to increased domestic demand, the cultivated area for celery has been on the rise. Many Korean consumers believe that celery, as an alkaline food, has significant health benefits (alkaline foods are known to eliminate toxins and restore good health). According to the

Ministry for Food, Agriculture, Forestry and Fisheries (MIFAFF), celery production has almost doubled from 1,611 tons to 3,150 tons during the past decade. Annual celery production is around 4,000 tons.

Table 1: Fresh Celery Production & Cultivated Area

Year	Cultivated Area (HA)	Production (MT)
2000	50	1,611
2001	78	2,669
2002	77	2,247
2003	76	2,119
2004	76	2,360
2005	83	2,225
2006	95	2,604
2007	95	3,150

Source: Ministry of Food, Agriculture, Forestry and Fisheries (MIFAFF)

Consumption

The demand for celery has been increasing and it is likely to continue to do so. Korea's annual average celery consumption is roughly 0.08 kilograms per capita. In contrast, Japan's per capita consumption is about 0.3 kilograms. Given the similar dietary patterns between the two countries, it would seem that there is untapped demand for increased celery consumption in Korea.

Table 2: Advantages and Disadvantages of U.S. Fresh Celery

Advantages	Disadvantages
Increased demand for healthy foods has led to rising celery consumption	Usage of celery for Korean dishes is limited except for salads or juices.
U.S. celery will become more competitive under the KORUS FTA	Korean consumers prefer to buy leafy celery than leaf trimmed celery.
The good reputation of U.S. fresh produces (fruits, vegetables)	Short shelf life and high exchange rate will be obstacles for U.S. fresh celery.
	The high duty rate increases the import price

Korean consumers typically use celery as a salad or soup ingredient; however, there has been some increased use with meat and seafood. Korean consumers generally prefer leafy celery as it presents a fresher image when purchased in the store. Due to the short shelf life and the high duty rate, Korea relies solely on domestic fresh celery and only tends to import when weather has reduced domestic consumption. It is likely that celery imports will gradually increase in the future as demand exceeds domestic production due to increased salad consumption and the trend toward

healthier foods.

Most celery is consumed at tourist hotels, high-end restaurants, and Chinese restaurants. There is also some demand for celery to be consumed at home.

Imports

Korea's celery imports have not been significant since 2000. Korea imported only 36 tons of fresh celery in 2008. The depreciated exchange rate against the U.S. dollar, the short shelf life and the different characteristics of imported celery from the celery produced domestically all serve to reduce imports.

Table 3: Korea's Imports of Fresh Celery

Korean Imports of Fresh Celery (HS 0709.40.0000)						
Month	2006		2007		2008	
	Value	Volume	Value	Volume	Value	Volume
	US\$	Kilogram	US\$	Kilogram	US\$	Kilogram
January	6,281	2,269	4,711	4,937	2,726	6,100
February	6,433	2,286	2,411	6,030	-	-
March	25,179	37,512	-	-	4,740	12,000
April	1,520	622	-	-	-	-
May	-	-	-	-	-	-
June	-	-	-	-	-	-
July	-	-	8,579	5,139	2,474	3,034
August	34,757	64,163	-	-	5,058	5,474
September	33,638	75,480	-	-	1,678	1,470
October	-	-	242	120	-	-
November	3,440	941	-	-	-	-
December	7,271	5,106	-	-	1,977	6,000
Total	118,519	188,379	15,943	16,226	18,653	34,078

Source: Korea Trade Information Service (KOTIS)

Distribution

Generally, summer is the high-demand season for celery but it used year round in hotels and family restaurants. At the wholesale level, celery is marketed in a 10 kg paper box, while it is distributed with 1 kg plastic-wrapped type at the retail level.

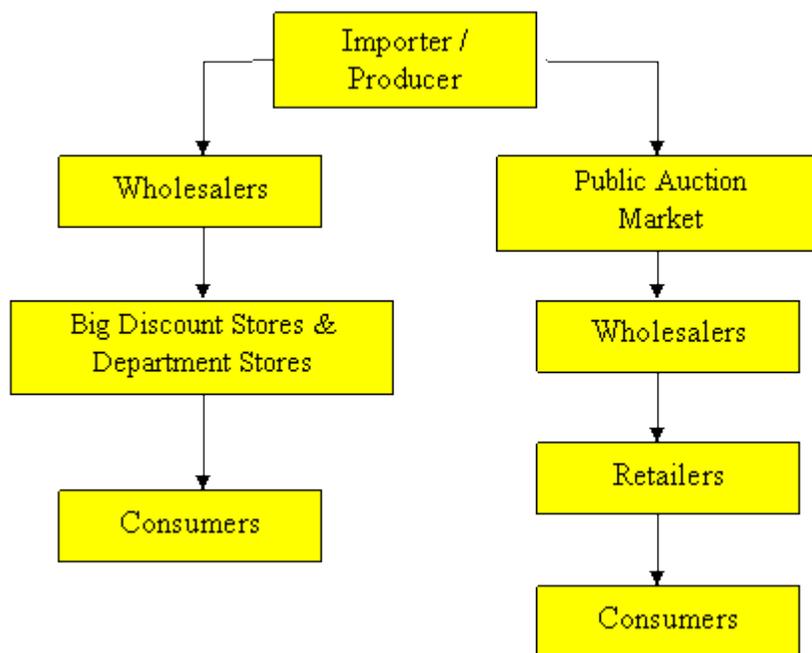
Table 4: Korea's Celery Shipments to the Garak Wholesale Market (Unit: Metric Tons)

	2006	2007	2008
January	244	303	287
February	269	266	286
March	281	462	348
April	276	396	318
May	341	355	362
June	330	394	299
July	289	391	391
August	249	431	348
September	282	276	360
October	289	338	376
November	299	348	289
December	326	305	327
Total	3,475	4,265	3,991

Source: Garak Wholesale Market

Local retailers, big discount stores and department stores also purchase fresh celery from wholesalers to reduce the repackage work at the retail stage. Because fresh celery is marketed in a plastic wrapped type (1 kg) at the retail stage, wholesalers do repackage work prior to supplying it to larger discount department stores. Due to the short shelf life, imported celery has had difficulties expanding its market share in Korea.

Distribution Channel



Korea FTA

The current duty rate for imported celery is 27 percent. Upon implementation of the Korea-U.S. Free Trade Agreement, the duty on U.S. fresh celery will be eliminated immediately.

Table 5: KORUS FTA Fact Sheet for fresh Celery

Product	Current Tariff	Phase-out (Years)	Average Yearly Imports from the U.S. 2006 – 2008 (tons)	Average Yearly Imports from the World 2006 – 2008
Fresh celery	27 percent	Immediate	22 tons	80 tons

Source: Korea Traded Information Service (KOTIS) & USDA Fact Sheet